

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-02 ACDA-05

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-06 TRSE-00

SAJ-01 EB-07 OMB-01 COME-00 H-01 /051 W

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R 161715Z JAN 75

FM USMISSION NATO

TO SECSTATE 9585

SECDEF WASHDC

INFO USCINCEUR

USCINCLANT

USNMR SHAPE

USLOSACLANT

ALL NATO CAPITALS 4887

C O N F I D E N T I A L SECTION 1 OF 2 USNATO 0182

E.O. 11652: GDS

TAGS: MARR, NATO

SUBJ: NATO INFRASTRUCTURE PROGRAM: INTITIAL ANALYSIS OF REQUIREMENTS  
AGAINST 1975-1979 FUND AVAILABILITY

REFS: A. SHAPE 6100/18-8-S1/74 (AMENDED 6 DEC 74)

B. SACLANT C-413/11001/26, N-854, 12 JULY 74

C. SACLANT MSG 291623Z NOV 74

D. SACEUR MSG 301400Z NOV 74

E. USNATO 7076, 23 DEC 74

F. SACEUR MSG 031620Z JAN 75

SUMMARY. IMPENDING NATO AGREEMENT ON IAU 400 MILLION CEILING FOR  
1975-1979 INFRASTRUCTURE PROGRAM WILL REQUIRE CAREFUL ANALYSIS OF  
PRIORITIES BY ALLIED GOVERNMENTS AND NATO MILITARY AUTHORITIES.  
MISSION NOTES PRIME SHAPE CANDIDATES FOR SOME IAU 490 MILLION  
AGAINST THE POST-SLICE XXVI AVAILABILITY OF SOME IAU 220 MILLION.  
SINCE MOST OF THE SHAPE CANDIDATES ARE IN DIRECT SUPPORT OF NATO  
MISSIONS EITHER PROPOSED OR STRONGLY SUPPORTED  
BY THE US, AND SINCE THE US ALSO WISHES TO  
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INCLUDE AS URGENT NATO PROJECTS SOME \$350 MILLION OF ADDITIONAL  
ASM PROJECTS, SOMETHING MUST GIVE. MISSION RECOMMENDS AGAIN  
THAT US PREFINANCE AIRCRAFT SHELTERS FOR US FOLLOW-ON AIRCRAFT  
AND SPREAD RECOUPMENT OVER FOLLOWING 5-YEAR PROGRAM. MISSION ALSO

RECOMMENDS US SUPPORT OF SHAPE PROGRAMMING IN 1975-77 OF ENTIRE IAU 303 MILLION AVAILABLE IN 1975-79 PROGRAM IN ORDER TO PAVE WAY FOR REQUEST TO DEFENSE MINISTERS FOR UP TO ADDITIONAL IAU 200 MILLION TO COVER 1978-79. IF THAT EFFORT IS SUCCESSFUL, WE WOULD CONSIDER DELAY OF A SMALL PERCENTAGE OF PRIORITY INFRASTRUCTURE REQUIREMENTS INTO 1980-84 PERIOD ACCEPTABLE. THERE IS, HOWEVER, POSSIBILITY THAT WORSENING ECONOMIC CONDITIONS WITHIN ALLIED NATIONS WILL PREVENT US FROM ACHIEVING AGREEMENT ON AUGMENTATION OF THE 1975-79 CEILING. IN THAT CASE, US MUST DETERMINE WHICH OF ITS OWN HIGH PRIORITY PROGRAMS SHOULD BE DELAYED. END SUMMARY.

1. THE COMMON INFRASTRUCTURE PROGRAM PROVIDES NATO'S CONSTRUCTION OF COMMON INTEREST/COMMON USE MILITARY FACILITIES. IT INCLUDES SUCH NORMAL MILITARY CONSTRUCTION AS OPERATIONAL FACILITIES FOR AIRFIELDS, NAVAL BASES, POL STORAGE AND PIPELINE, WAR HQS, MISSILE SITES AND FORWARD STORAGE DEPOTS AS WELL AS EQUIPMENT SUCH AS RADARS, COMPUTERS, AND COMMUNICATIONS SYSTEMS. IT GENERALLY EXCLUDES CREATURE COMFORTS SUCH AS BARRACKS, MESS HALLS, CLUBS, ETC., WHICH ARE CONSIDERED TO BE A NATIONAL RESPONSIBILITY. IT IS THE

ONLY METHOD BY WHICH NATO CAN PROCURE COMMONLY USED FACILITIES SUCH AS WAR HQS, INTERNATIONAL COMMUNICATIONS AND PIPELINES, EARLY WARNING SYSTEMS, ETC. WHILE FACILITIES OF COMMON INTEREST FOR USE BY THE FORCES OF A SINGLE OR SEVERAL NATIONS (AIRFIELDS, NAVAL BASES) COULD BE FINANCED BY THOSE NATIONS, THE PRACTICE IS TO AWAIT NATO FINANCING FOR THOSE FACILITIES WHICH ARE ELIGIBLE FOR NATO FUNDING. OCCASIONALLY NATIONS DO PREFINANCE SUCH URGENTLY REQUIRED PROJECTS FROM NATIONAL FUNDS WITH THE INTENTION OF RECOUPING FROM NATO WHEN FUNDS BECOME AVAILABLE.

2. IN 1973, NATO MILITARY AUTHORITIES (NMAs) SUBMITTED REQUIREMENTS FOR THE 1975-79 INFRASTRUCTURE PROGRAM OF OVER

IAU 900 MILLION OF WHICH SOME IAU 580 MILLION WERE OF FIRST PRIORITY, BOTH AT 1972 PRICES WHICH CAN BE CONSIDERED TO HAVE CONFIDENTIAL

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RISEN BY 30 PCT IN 1975 TO ABOUT IAU 1170 MILLION AND IAU 750 MILLION. THUS THE DECEMBER 1974 AGREEMENT BY ALLIED DEFENSE MINISTERS TO A COST CEILING OF ONLY IAU 400 MILLION WILL REQUIRE EITHER THAT NMAs FOREGO HALF OF THEIR MOST URGENT REQUIREMENTS OR THAT ALLIED GOVERNMENTS AGREE IN UNPRECEDENTED FASHION TO IMPLEMENT A PORTION OF THE PROGRAM FROM NATIONAL FUNDS.

3. AS PRESENTLY PROPOSED THE IAU 400 MILLION CEILING FOR SLICES XXVI-XXX (1975-1979) IS DIVIDED AS FOLLOWS:

|                    |                |
|--------------------|----------------|
| US SPECIAL PROGRAM | IAU 29 MILLION |
|--------------------|----------------|

|                   |     |
|-------------------|-----|
| SACEUR - PROGRAM  | 304 |
| CONTINGENCY       | 30  |
| SACLANT - PROGRAM | 34  |
| CONTINGENCY       | 3   |

IAU 400 MILLION

SACEUR HAS PROPOSED (REF A) A SLICE XXVI PROGRAM AMOUNTING TO SOME IAU 84 MILLION OF 1975-79 FUNDS PLUS THE REMAINING IAU 14.6 MILLION FROM EDIP). SACLANT'S PROPOSAL (REF B) AMOUNTS TO IAU 9.5 MILLION. ANALYSIS OF THOSE PROPOSALS REVEALS NO SIGNIFICANT AMOUNT WHICH COULD BE DEFERRED TO LOWER PRIORITY, THUS REMAINDER OF 1975-79 PROGRAM FUNDS IS ABOUT IAU 220 MILLION FOR SACEUR AND IAU 24 MILLION FOR SACLANT AFTER DEDUCTION OF SLICE XXVI. THIS REPRESENTS ABOUT TWO YEARS' NORMAL PROGRAMMING AT 1975 PRICES.

4. SACLANT HAS REPORTED (REF C) A FIRST PRIORITY REQUIREMENT FOR SOME IAU 50 MILLION IN 1975-79. HE STATES THAT WITH RESTRICTIONS IMPOSED BY THE LOW COST CEILING, CERTAIN ONGOING PROGRAMS WILL BE CURTAILED AND THAT SACLANT'S CONTRIBUTION TO THE NATO INTEGRATED COMMUNICATIONS SYSTEM (NICS) WILL BE REDUCED BY AT LEAST 40 PCT.

5. SACEUR REPORTS (REF D) THAT 1975-79 FUNDS WILL SUFFICE ONLY TO CONTINUE ONGOING PROGRAMS AS FOLLOWS:

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|                                |                |
|--------------------------------|----------------|
| ASM (70 PCT IN PLACE AIRCRAFT) | IAU 60 MILLION |
| ASM (M PLUS 3)                 | 26             |
| NICS                           | 67             |
| SHAPE AND NORTHAG/2ATAF WHQ    | 25             |
| PERSHING, HAWK, BALTAP WHQ     | 7              |
| AIRFIELD RESTORATION (MINIMAL) | 15             |
| IAU 200 MILLION                |                |

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-02 ACDA-05

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-06 TRSE-00

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R 161715Z JAN 75  
FM USMISSION NATO  
TO SECSTATE WASHDC 9586  
SECDEF WASHDC  
INFO USCINCEUR  
USCINCLANT  
USNMR SHAPE  
USLOSACLANT  
ALL NATO CAPITALS 4888

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SACEUR THEN ENUMERATES (REF D. PARA 4) ADDITIONAL ELIGIBLE FIRST PRIORITY PROJECTS AMOUNTING TO IAU 235 MILLION FOR WHICH NO FUNDS WILL BE AVAILABLE, INCLUDING AIRFIELD UPGRADING FOR FOLLOW-ON AIRCRAFT, FORWARD EXTENSIONS OF PIPELINES, NON-NICS COMMUNICATIONS, REPLACEMENT OF OUTDATED US 412L SYSTEM AND UK MANUAL AIR DEFENSE SYSTEMS, HAWK UPGRADE AT CRETE MISSILE RANGE, LAST PORTION OF FORWARD STORAGE (IAU 52 MILLION FOR THIS ITEM ALONE), AND US PROGRAM FOR SECURITY IMPROVEMENTS AT SAS SITES. IN REF F, SHAPE INDICATES THAT THIS LATTER ITEM MAY BE COVERED UNDER AVAILABLE FUNDS, BUT ONLY AT THE EXPENSE OF ONE OR MORE OF THE OTHER TOP PRIORITY PROJECTS LISTED ABOVE. SACEUR ALSO NOTES IN REF D CERTAIN OTHER URGENT PROJECTS, NOT CURRENTLY ELIGIBLE FOR INFRASTRUCTURE FUNDING, INCLUDING RECEPTION FACILITIES FOR REINFORCEMENT FORCES AND TACTICAL AIR CONTROL.

6. MOST IMMEDIATE IMPACT OF NATO FUND SHORTAGE FOR THE US IS IN THE ASM SHELTER PROGRAM AS NOTED REF E. TENTATIVE SHAPE PLAN FOR ASM (PER REFS B AND D) INCLUDES COMPLETION OF PROGRAM FOR 70 PCT OF IN-PLACE AND DUAL BASED AIRCRAFT THROUGH USE OF REMAINING EDIP FUNDS PLUS IAU 66 MILLION OF 1975-79 INFRASTRUCTURE PROGRAM  
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FUNDS. SHAPE PLAN ALSO CALLS FOR DEVOTION OF IAU 26 MILLION (\$85 MILLION) TO SHELTERS FOR M PLUS 3 AIRCRAFT, THUS LEAVING IN LIMBO SOME \$350 MILLION OF PLANNED USAF PREFINANCING OF SHELTERS IN AMOUNT OF \$435 MILLION. MISSION HAS RECOMMENDED PLAN IN REF E WHICH CALLS FOR US PREFINANCING OF SHELTERS FOR REMAINING AIRCRAFT WITH RECOUPMENT OF FUNDS FOR SHAPE STRATEGIC RESERVE AIRCRAFT IN SLICE XXIX AND FOR REMAINDER OF POST-M PLUS 30 AIRCRAFT IN LATER SLICES.

7. MISSION ALSO RECOMMENDS IN REF E THAT US SUPPORT SHAPE PROGRAMMING IN 1975-77 OF ENTIRE IAU 303 MILLION AVAILABLE IN THE 1975-79 INFRASTRUCTURE PROGRAM IN ORDER TO PAVE WAY FOR REQUEST TO ALLIED DEFENSE MINISTERS FOR UP TO ADDITIONAL IAU 200 MILLION TO COVER 1978-79 REQUIREMENTS. IF IAU 200 MILLION FUNDS ARE APPROVED BY ALLIES, MISSION COULD ENSURE THAT US HIGH PRIORITY INFRASTRUCTURE PROGRAMS ARE IMPLEMENTED. THERE IS, HOWEVER, POSSIBILITY THAT WORSENING ECONOMIC CONDITIONS WITHIN ALLIED NATIONS WILL PREVENT US FROM ACHIEVING AGREE-

MENT ON AUGMENTATION OF THE 1975-79 CEILING. IN THAT CASE,  
US MUST DETERMINE WHICH OF ITS OWN HIGH PRIORITY PROGRAMS  
SHOULD BE DELAYED.

8. CONTINGENCIES INCLUDING MBFR REDUCTIONS, REPLACEMENT  
OF US SUPPORT FORCES BY COMBAT FORCES UNDER NUNN-AMENDMENT,  
AND FURTHER GREEK WITHDRAWAL FROM MILITARY SIDE OF ALLIANCE  
COULD AFFECT INFRASTRUCTURE REQUIREMENTS IN THE FOLLOWING  
MANNER:

A. MBFR REDUCTIONS IN GROUND FORCES INVOLVING  
MAINTENANCE OF RAPID REACTION RETURN TO EUROPE COULD REQUIRE  
ADDITIONAL CONTROLLED HUMIDITY STORAGE SITES, BUT THESE  
REQUIREMENTS WOULD PROBABLY BE FUNDED IN THE NEXT 5-YEAR  
PROGRAM BEGINNING IN 1980. REDUCTIONS IN AIR FORCES MIGHT  
REDUCE THE REQUIREMENT FOR INFRASTRUCTURE FUNDS SLIGHTLY  
SINCE FORCES NOT IN EUROPE RECEIVE ONLY MINIMUM FUNDS FOR  
OPERATIONAL FACILITIES.

B. IF TWO NEW US BRIGADES ARE MOVED TO EUROPE IN  
PLACE OF SUPPORT TROOPS, SOME EXTRA FORWARD STORAGE AND POL  
FACILITIES COULD BE REQUIRED DEPENDING ON ULTIMATE LOCATION  
OF FORCES.

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C. GREEK DECISION TO WITHDRAW FURTHER FROM MILITARY  
SIDE OF NATO COULD REUIRE RELOCATION OF COMMONLY USED  
FACILITIES SUCH AS SOUDA BAY, NAMFI, AWFI (AIR WEAPONS  
TRAINING INSTALLATION). IT IS UNLIKELY, HOWEVER, THAT ALL  
ALTERNTE FACILITIES COULD BE LOCATED AND MAJOR EXPENDITURES  
UNDERTAKEN IN THE 1975-79 PERIOD, THUS PLUSES AND MINUSES  
WOULD PROBABLY BALANCE OUT.BRUCE

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ALL NATO CAPITALS

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